

REMARKS

In this response, Claims 2 and 7 have been amended to better clarify the relationship between the claimed master piston, push and return mechanisms, and rotating member. No claims have been added or canceled. Also, Claim 7 has been amended to remove the phrase "controlling the piston of a master cylinder" from its preamble. This phrase was deleted in Applicant's response to the Examiner's March 31, 2003 Office Action, but was inadvertently re-inserted into the preamble in Applicant's response to the September 26, 2003 Office Action.

Accordingly, claims 1-15 remain pending in the present application. Reconsideration of the application is hereby requested.

**REJECTIONS UNDER 35 U.S.C. § 102(b)**

Applicant notes that the Examiner did not address Claim 15 in the Office Action. However, during the interview conducted on June 7, 2004, the Examiner indicated that she would treat Claim 6 and Claim 15 identically. Thus, Applicant will address both claims.

The Examiner has rejected Claim 6 under 35 U.S.C. § 102(b) as being anticipated by the newly asserted reference Wendler, U.S. Patent No. 5,890,979 ("Wendler"). Reconsideration and withdrawal of the rejection are respectfully requested.

Claim 6 recites an adjusting piston threadingly engaged an adjuster chamber of a master cylinder assembly. It further

recites "rotating the adjusting piston to vary the depth to which the adjusting piston extends into the adjusting chamber." Wendler does not disclose these limitations.

Wendler is directed to a variable transmission apparatus for bicycles. The Examiner contends that Wendler's reference numeral 15 refers to an adjusting piston. However, Wendler specifically describes the referenced part as "an air bleed screw 15." It does not describe the air bleed screw as a piston or give any indication that it is capable of functioning as a piston. Moreover, Wendler does not indicate that the air bleed screw can or should be rotated to adjust the depth to which it extends into any chamber, much less an adjuster chamber. Because Wendler fails to disclose these limitations of Claim 6, it cannot anticipate it. Nor can it anticipate Claim 15 which recites similar limitations.

#### REJECTIONS UNDER 35 U.S.C. § 103

The Examiner has rejected claims 2-5, 7-10 under 35 U.S.C. § 103 as being unpatentable over Wendler in view of Ose, U.S. Patent No. 5,676,022 ("Ose").

Claims 2-5 and 7 recite an adjusting piston adjustably extending into a master cylinder assembly. Claim 10 recites an adjuster piston threadingly engaged with a master cylinder assembly and operable to adjust the volume of a conduit conveying fluid between a master cylinder assembly and a slave cylinder assembly. Claim 5 depends from Claim 2 and adds the further

limitation that the master cylinder assembly comprises a main chamber for the master piston and an adjuster chamber for the adjusting piston.

As explained above, Wendler's air bleed screw 15 is not an adjusting piston. Ose, which does not even address hydraulic gear shift systems, does not compensate for Wendler's deficiencies. Therefore, the combined references do not teach or suggest all of the limitations of Claims 2-5, 7 and 10 and cannot render them obvious.

Moreover, combining Wendler & Ose is improper. As explained in detail below, while the Examiner has offered reasons why combining Ose and Wendler would be beneficial (i.e., to reduce "lost friction"), she has not shown that such a benefit was recognized in the prior art. "The factual inquiry whether to combine references . . . must be based on objective evidence of record." In re Sang-Su Lee, 277 F.3d 1338, 1343 (Fed. Cir. 2002). Thus, it is improper to combine Ose with Wendler to reject the claims.

The Examiner's application of Wendler and Ose to reject Claims 8 and 9 is an impermissible hindsight reconstruction of the invention. "When determining obviousness, the invention must be viewed not with the blueprint drawn by the inventor, but in the state of the art that existed at the time." Diversitech Corp. v. Century Steps, Inc., 850 F.2d 675, 679 (Fed. Cir. 1988). Claims 8 and 9 recite a method of shifting gears in a hydraulic shift gear mechanism which comprises "providing a shift control

lever spaced apart from the handlebar." Wendler's "actuator 1 is mounted on a handle bar and is provided with a rotary handle 7 which is rotatable relative to the handle bar 6." Wendler at 6:13-15. It does not disclose a control lever spaced apart from the handlebar, but rather, it discloses the opposite design--one in which the handlebar is disposed within an actuator.

The Examiner concedes that Wendler "does not disclose the shift lever assembly as claimed," but nevertheless assumes that one of ordinary skill in the art would disregard Wendler's actuator design in favor of the one disclosed by Ose. However, no support has been provided for that assumption. The references cannot merely be combined to obtain the claimed invention; Wendler must be modified.

The Examiner states that "it would have been obvious . . . to modify the apparatus of Wendler with the teachings of Ose to have a rack and pinion shifting device, as claimed for shifting the bicycle so as to provide a smoother shifting process by reducing 'lost motion' in the system . . ." However, the Examiner has not identified any teaching or suggestion in the prior art which recognizes that Wendler's system would beneficially reduce lost motion if modified and combined with Ose's design. Moreover, the Examiner provides no indication that the prior art would have directed one of ordinary skill to disregard Wendler's rotary actuator in favor of Ose's design. The "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in

[the prior art] as well as a change in the basic principles under which [the prior art] construction was designed to operate."

Application of Ratti, 270 F.2d 810, 813 (C.C.P.A. 1959). "The mere fact that prior art could be modified in the manner proposed by the Examiner would not have made the modification obvious unless the prior art suggested the desirability of the modification." Ex parte Dussaud, 7 USPQ2d 1818, 1820 (Bd. App. & Int'l 1988).

Further, Claims 8 and 9 recite a control lever "biased in a neutral position" wherein "the control lever returns to the neutral position after operation." Wendler discloses a rotary actuator which does not return to a neutral position after operation. Instead, the actuator remains in the position to which it was last rotated by the user. There is no suggestion or motivation in the prior art which would have directed those of ordinary skill to disregard Wendler's actuator design in favor of Ose's lever assembly. On this basis as well, the rejection of Claims 8 and 9 is improper.

CONCLUSION

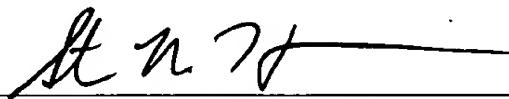
In view of the foregoing, it is believed that all claims now pending patentably define the subject invention over the prior art of record and are in condition for allowance and such action is earnestly solicited at the earliest possible date.

Respectfully submitted,

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